



## **Audit, Compliance, and Risk Committee**

Friday, October 10, 2025  
2:00 p.m.  
2300 Vartan Way, Suite 207  
Harrisburg, PA 17110

### **AGENDA**

Roll Call

Committee Action:

1. Risk Assessment and Internal Audit Priority Areas

Adjournment

**Audit, Compliance, and Risk Committee Meeting**  
October 10, 2025

**SUBJECT:** Internal Audit – Risk Assessment, Internal Audit Plan and Update

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** Board of Governors' Policy 1991-06-A, *State System Audit Policy*, requires the Audit, Compliance & Risk Committee to periodically review and approve the scope of the Office of Internal Audit and Risk Assessment's work plan for the State System.

The proposed two-year plan is derived from the risk assessment conducted by Internal Audit to identify the key risks and strategic priorities across the System. The work plan was collaboratively developed through input from State System leadership, and the areas of focus are designed to reduce the State System's exposure to adverse risk and provide important, independent insight into key operational and strategic areas.

**MOTION:** That the Committee approves the scope of the upcoming internal audit work plan as presented in the agenda, with final fiscal year activities subject to the risk environment at the time.

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**Supporting Documents Included:** Pennsylvania's State System of Higher Education Internal Audit Plan for the remainder of FY 25/26 through FY 27/28

**Other Supporting Documents Available:** Board of Governors' Policy 1991-06-A: *State System Audit Policy*

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**Pennsylvania's State System of Higher Education  
Internal Audit Priorities and Plan  
Fiscal 25/26 and 27/28  
Audit, Compliance, and Risk Committee Meeting  
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In summer 2025, Internal Audit conducted a risk assessment for purposes of informing the development of the scope of the internal audit plan. This risk assessment was conducted through a facilitated process with Internal audit which also encompassed Internal Audit's review of the various data and their experience working with higher education institutions and the emerging risks and trends in the higher education industry.

The State System risk process entailed interviewing the System Leadership Group, which encompassed the system leadership teams across all universities as well as System Office staff.

These leadership groups identified and prioritized the top risks (high likelihood of occurrence and high impact on achievement of strategic and operational objectives) that are of greatest concern or create risk around achieving strategic and operational objectives.

Top risks were shared back with the Executive Leadership Group (ELG) consisting of the Presidents of each university and Chancellor for review.

Potential projects for the internal audit scope were generated based on the determination of where Internal Audit could meaningfully address risks and priority areas. The ELG was consulted for their input and the below focus areas reflect the priorities for the remainder of fiscal 25/26 through 27/28.

Scope for Internal Audit Plan Areas:

- Incident Response and Recovery
- Quality and Integrity in Benchmarking, Forecasting, and Trend Analysis
- Data Protection and Privacy
- Budget Performance and Efficiency
- SAP Role Redesign and Segregation of Duties
- Program Alignment
- Vendor Management and Contracting

Specific audit plans will be developed in consultation with the ELG.